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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)
) CC Docket No. 92-77
Billed Party Preference for)
InterLATA 0+ Calls)

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AT&T REPLY

Pursuant to the Commission's Public Notice,¹ AT&T Corp. ("AT&T") hereby replies to the comments on the Commission's Second Further Notice of Proposed Rulemaking ("SFNPRM"), FCC 96-253, released June 6, 1996.²

The comments strongly support AT&T's position (pp. 3-5) that the Commission should not require all OSPs to provide audible price information on all 0+ calls. Such a requirement would be particularly pointless and counterproductive for calls placed from home and business telephones, because 0+ calls from such phones are routed to the presubscribed carrier selected by the individual residence or business subscribers themselves. Carriers' rates for 0+ calls are an inherent part of the mix of services that consumers consider when choosing their primary

¹ 61 Fed. Reg. 30581, June 17, 1996.

² A list of commenters and the abbreviations used to refer to each is appended as Attachment 1.

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long distance provider.³ Moreover, Sprint (p. 7) correctly states that "[t]he potential for high rates [on 0+ calls] comes into play only when there is casual contact between the consumer and the [OSP] as is the case where aggregator phones are concerned."

There is also no reason to consider imposing an additional rate information requirement on all 0+ calls from aggregator phones.⁴ Consumer pricing complaints represent only a tiny fraction of the millions of 0+ calls dialed annually from aggregator phones.⁵ The relatively small number of such complaints "simply does not justify excessive regulations that burden the entire industry."⁶ Rather, any remedial Commission actions should "address the specific problem, and should not overregulate [the] entire industry."⁷

³ See Ameritech, p. 3 (rates for calls from residence and business telephones "have been established in the heat of the intense rivalry of the presubscription ballot campaigns and other competitive long distance wars of the last decade").

⁴ TOCSIA requires all OSPs to make price information available on customer request, without charge and prior to the completion of a call (see 47 U.S.C. § 226(b)(1); 47 C.F.R. § 64.703(a); AT&T, p. 4; CompTel, pp. 5-6; MCI, p. 3).

⁵ See, e.g., Cleartel, p. 4; AT&T, p. 4.

⁶ Cleartel, p. 4.

⁷ GTE, p. 3.

Numerous commenters recognize that a universal price announcement requirement would create significant and unnecessary delays and confusion for consumers.⁸ Such a requirement would impose these problems regardless of whether the presubscribed carrier's prices are the highest in the industry or the lowest. Accordingly, some commenters correctly note that such a requirement would not only "inconvenience and annoy the very consumers the Commission seeks to protect," it would also dilute the impact of the announcement itself.⁹

The comments also support AT&T's showing (pp. 4-5) that requiring an audible price announcement for all 0+ calls would raise Operator Services Providers' ("OSPs'") access and other costs,¹⁰ which, in turn, could lead to higher prices for consumers. Several commenters identify significant and specific costs that would flow directly from such a requirement.¹¹ In contrast, Opticom (n.31) and OSC

⁸ See, e.g., APCC, p. 4; Ameritech, p. 3; Bell Atlantic/BellSouth/NYNEX, p. 5; CompTel, p. 19; Sprint, n.3; U S WEST, p. 5.

⁹ Bell Atlantic/BellSouth /NYNEX, pp. 5-6. See also NYCPB, p. 6.

¹⁰ See e.g., APCC, n.4; Bell Atlantic/BellSouth/NYNEX, p. 6; ClearTel, n.8; CompTel, p. 19; GTE, p. 7; MCI, pp. 3-4; Pacific, p. 3; SWBT, p. 3; Sprint, n.3; U S WEST, pp. 5, 10.

¹¹ E.g., GTE, p. 7; MCI, pp. 3-4; Pacific, p. 3; Sprint, n.3; U S WEST, p. 10.

(p. 4) offer no factual support for their claim that the costs of price announcements on all calls would not be unreasonable.¹²

Consistent with its earlier decisions in this docket, the Commission (§ 15) has indicated it will not impose new costs on OSPs unless the related consumer benefits outweigh such costs. Here, the record clearly shows that the costs of universal price disclosure for all 0+ calls "would be large, and the benefits would be small."¹³ Prices for the vast majority of 0+ calls are already at or below levels which consumers expect, including all calls carried by the three largest OSPs.¹⁴ Thus, there is no measurable consumer benefit that could offset the imposition of any additional costs needed to implement an

¹² NAAG's belief (p. 6) that a universal price announcement system could be implemented quickly is also not well founded (see, e.g., U S WEST, p. 10 (carriers' ability to rate calls for billing purposes does not imply that they can readily provide real-time rating for specific calls)).

¹³ SWBT, p. 2.

¹⁴ The Commission's proposal to adopt a benchmark set at a premium above the average rates of the three largest OSPs necessarily presumes that the rates of such carriers are reasonable (see NYDPS, p. 2 (assuming that the Commission's proposed rules would not subject the largest OSPs to any additional disclosure requirements)). Accordingly, there is no reason to require such carriers -- who face vigorous competition across all market segments -- to provide specific price information on 0+ calls.

additional industry-wide price announcement mechanism.¹⁵ Indeed, even the few commenters who support an "all call" announcement requirement do not attempt to quantify any such benefit.¹⁶ Therefore, any rules the Commission adopts here should not impose costs or inconvenience on consumers, and they should not burden OSPs that charge reasonable prices. Any price information requirements beyond those already mandated by TOCSIA should only be applied against carriers whose pricing decisions have caused consumer concerns.¹⁷

Finally, contrary to the claims of commenters that argue for continuation of OSP informational tariffing requirements,¹⁸ OSPs that charge reasonable prices should not be burdened with any special obligation to file informational tariffs. Rather, they should be bound only by the general rules the Commission adopts in CC Docket

¹⁵ See U S WEST, p. 4 ("[i]n the absence of [a] market need, there appear to be no public interest benefits, only costs" associated with such a requirement).

¹⁶ See, e.g., California PUC, p. 3; ACTA, p. 6; NDPSC, p. 1; Opticom, pp. 2-3.

¹⁷ See, e.g., NYCPB, p. 6 ("companies charging competitive rates should not be required to comply with additional regulation or bear additional costs"); GTE, p. 3 (Commission remedies "should be directed to the abusing carriers"); Bell Atlantic/BellSouth/NYNEX, p. 5; CCI, p. 17; NTCA, p. 3; Pacific, p. 3; SWBT, p. 3.

¹⁸ E.g., GTE, p. 9; Sprint, p. 8; NAAG, p. 10.

No. 96-61.¹⁹ Any continued informational tariffing obligations specially applicable to OSPs should be enforced only against those carriers whose prices are significantly above industry norms.

CONCLUSION


For the reasons stated above and in AT&T's Comments, the Commission should not require audible rate disclosures on all 0+ calls. Any additional rate disclosure requirements should be limited to 0+ calls placed from aggregator phones that are priced significantly above industry norms. Moreover, if the Commission adopts its proposed benchmarking process, it should exempt the "benchmark" carriers from any additional information requirements. The Commission should also forbear from

¹⁹ See MCI, p. 5; AT&T, p. 5. Moreover, contrary to the claims of some OSPs (e.g., Oncor, p. 17), there is no basis to require AT&T to file informational tariffs if the Commission adopts a benchmark similar to the one proposed in the SFNPRM. AT&T (and other carriers whose rates are to be reviewed as part of any benchmarking process) could simply inform the Commission of their rates in effect on the dates established for calculating the benchmarks.

applying any special informational tariffing requirements to
OSPs that charge reasonable rates.

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August 16, 1996

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GTE Service Corporation ("GTE")
Inmate Calling Services Providers Coalition ("Coalition")
Intellicall Companies ("Intellicall")
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National Association of Regulatory Utility
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Oncor Communications, Inc. ("Oncor")
One Call Communications, Inc. d/b/a OPTICOM ("Opticom")
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Pacific Telesis Group ("Pacific")
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CERTIFICATE OF SERVICE

I, Ann Marie Abrahamson, do hereby certify that on this 16th day of August, 1996, a copy of the foregoing "AT&T Reply" was mailed by U.S. first class mail, postage prepaid, to the parties listed on the attached Service List.


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